EXHIBIT 5
DATE 1/23/09
HB 123

Thank you for the opportunity to briefly comment on HB123, specifically as a proponent of the MBRCT program. My name is Greg Gillispie and I am the president of Fluorescence Innovations, Inc., which started operations in Bozeman in 2006. Earlier in my career, I was a chemistry professor from 1977-1982 at the State University of New York at Albany and from 1983-1997 at North Dakota State University (NDSU), where I was also department chair from 1989-1993. In 1993 I started a company named Dakota Technologies, Inc. (DTI) and served as its president until founding Fluorescence Innovations. Over 13 years DTI grew to more than 20 employees and nearly $3 million annual revenue. The company's technology base was largely built via grants from the federal Small Business Innovation Research Program (SBIR), which often serves as the source of matching funds for MBRCT grants. So although I've been a Montana resident for a relatively short time, I have more than 20 years' university and small business experience in a neighboring state, during which time I've had the chance to observe and participate in technology and economic development in a rural state, government and state funding initiatives, and university-business interactions.

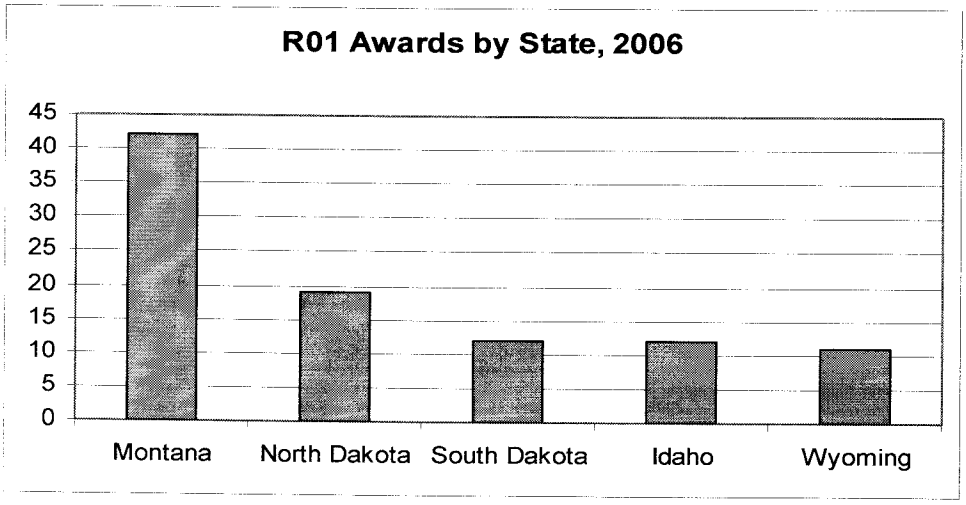
The states that succeed are the ones that fully understand creating a vibrant research and technology commercialization climate takes a long time and careful coordination. The states that look for quick success do not. Montana has always been a leader in intelligently using programs like EPSCoR, SBIR, and MBRCT to drive systemic changes.

Fluorescence Innovations is currently working on a two-year, $375K MBRCT grant in collaboration with scientists at Montana State University and the University of Montana. The focus of the grant is generating high quality research data on the fluorescence of proteins, using a novel fluorescence instrument developed by us. The MBRCT grant was matched by a $200K grant from the National Institutes of Health to Fluorescence Innovations, Inc. Moreover, since the start of our MBRCT grant in July 2007, we have obtained two instrument orders (University of Minnesota, University of Kansas) for $180K and an additional $365K grant from the National Science Foundation. We project this is just the tip of the iceberg with sales growing to 50 or more instruments per year within the next five years. The MBRCT funding has been of enormous help in advancing us to the point of being a business selling products. We therefore strongly endorse the plan to extend the sunset period on MBRCT and related programs to 2019.

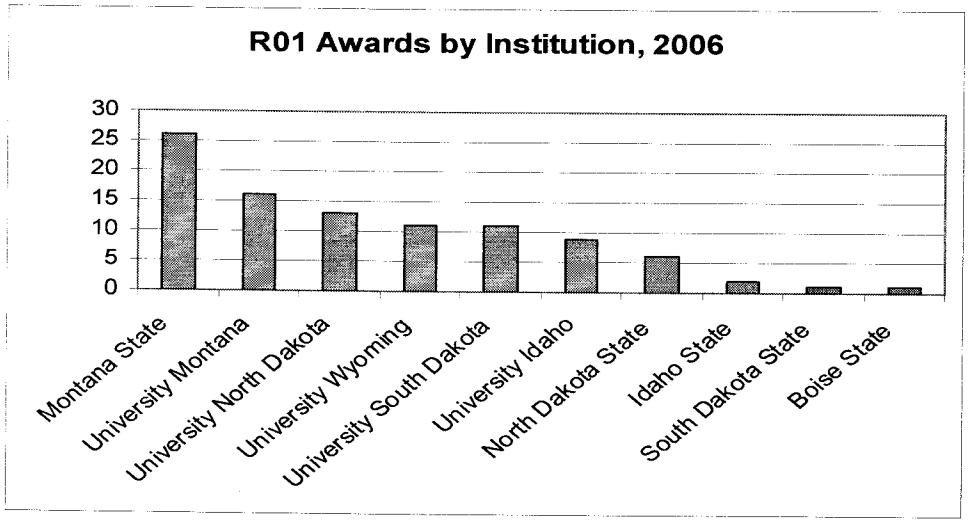
However, I am concerned about the proposed significant reduction in funding. HB123 proposes to shift approximately $2.3 million of the current $3.6 million MBRCT funding coming from coal trust interest payments to the general fund. The country and the state face extremely daunting economic challenges, ones possibly unprecedented within memory for most of us. Under such circumstances, it's understandable the MBRCT funding might be seen by some as discretionary IF one also assumes economic development initiatives such as MBRCT take away from the budget but don't give back much. Showing direct cause and effect between state appropriations for economic development and the returns on such investment (ROI) is difficult. But let me cite evidence that says Montana's past economic development efforts in the high technology sector has paid a huge ROI dividend.

For example, consider Ligocyte Pharmaceutical, a past MBRCT grant recipient with strong ties to Montana State University (MSU). Last year Ligocyte received a $28 million venture capital investment for their drug discovery and development activities. The money comes from out of state (primarily California investors) but is spent right here in Montana. Dr. Ed Dratz from the MSU Chemistry and Biochemistry Department is another recipient of MBRCT grants. In September MSU received a $6.5 million Centers of Biomedical Research Excellence (COBRE) grant from the National Institutes of Health; research conducted with MBRCT funds was instrumental in obtaining the COBRE award. These two examples are from MSU and Bozeman, but there are similar success stories at the University of Montana in Missoula. Total annual federal research support to MSU and UM is approximately $160 million, money coming into the state in large measure because Montana invested in development of the state's research infrastructure.

Let me close by showing additional evidence that Montana's tradition of supporting research really has paid off. The following two graphs were constructed with data taken from CRISP (Computer Retrieval of Information on Scientific Projects), which is maintained by the Office of Extramural Research at the National Institutes of Health. The first graph shows the number of 2006 R01 awards for Montana and its neighbors. RO1 grants are the most competitive, prestigious, and generally highest dollar awards to individual principal investigators.



The next graph shows the awards by institution in those same five states. Medical schools at the University of North Dakota and South Dakota account for many of their research awards.



While I was devoting much effort in promoting economic development in the Fargo-Moorhead area and in North Dakota, Montana was always the model I cited as the shining example of "what we want to be and can be." At the same time, it was also clear that Montana's story was far from completely told. With continued nurturing of the life science and biotechnology sectors, the best for Montana is yet to come and I'm pleased to now be a part of that effort. My hope is that MBRCT will remain a vital component of Montana's strategy going forward.